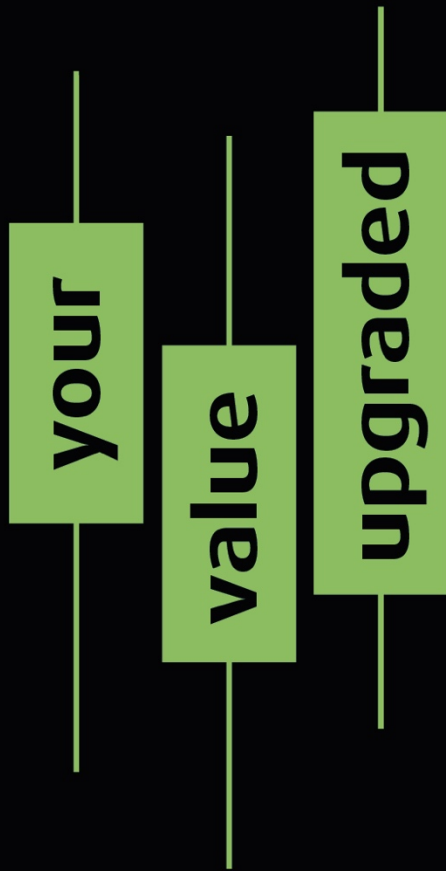


# IR PRESENTATION

November 2020



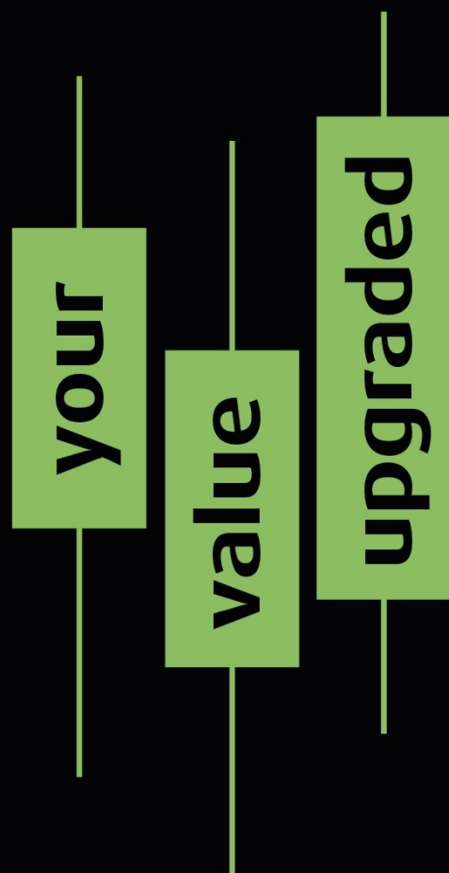
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# Investment Snapshot

# Investment Snapshot



## Only IT company listed on Main Market

In April 2015, Bittnet (ticker: BNET) was **the first IT company to list** on Bucharest Stock Exchange's AeRO. In June 2020 Bittnet was the first company to ever transfer from AeRO to the Main Market and remains the only IT company quoted on BVB's main floor.



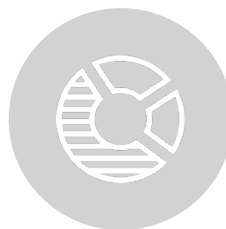
## 1775% increase in market cap

Since listing on AeRO market in April 2015, Bittnet registered **almost 18x increase in valuation**, from RON 7,5 million (EUR 1,7 million) to **RON 140.6 million** (EUR 28.8 million).\* CAGR of 65%.



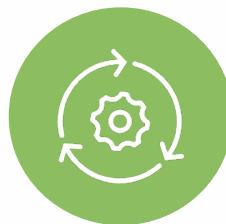
## Trusted base of investors

Since listing in April 2015, BNET attracted over **EUR 12 million** using capital market financing mechanisms, out of which estimated EUR 8 million was raised during five corporate bonds placements, primarily to fuel M&A activity.



## Improving financial results

In the extraordinary business context of H1 2020, the Group recorded a turnover of **RON 55.1 million**, up 39% compared to H1 2019 (versus +12% for the IT industry), and an operating profit of **RON 2.38 million**, up with RON 6 million compared to H1 2019.



## Liquidity

Following the transfer to BVB's Main Market in June 2020, BNET shares were included in September in 4 indices including **BET-XT**. Between January and October 2020\*, Bittnet recorded turnover of **approximately 50 million lei**, already overpassing liquidity of some of the issuers included in the BET index of BVB.



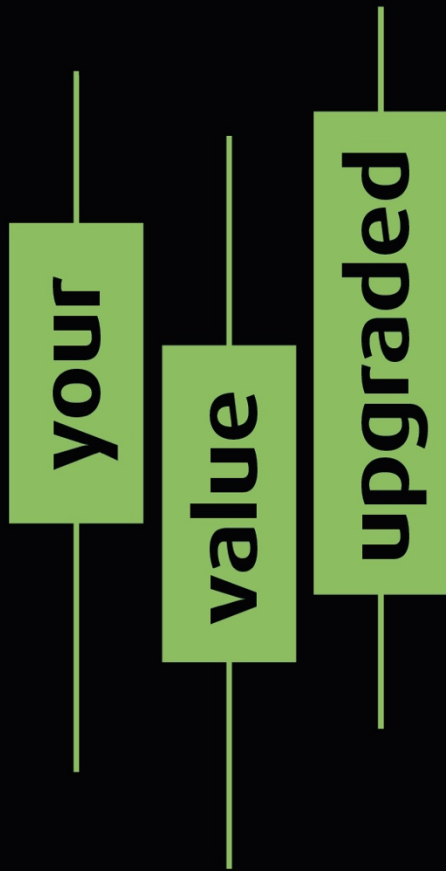
## Rewarded for quality

Winner of **multiple awards** for growth and innovation - the Best IR Team in CEE during CEE, Top 5 in 2019 EY Entrepreneur of the Year Romania, BVB award for the most active company on stock exchange in 2018, BVB award for most traded company on AeRO in 2019.

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\*Data as October 28th, 2020

# Business Overview



# Bittnet's History

**Founded in 2007 by brothers Mihai and Cristian Logofatu,** changed its status to a joint stock company (SA) following an increase in share capital using profits generated in 2008.

**In 2012, Bittnet received a capital infusion from Ia Răzvan Căpățină,** in exchange for a 24% stake in the company. In 2015, the company attracted EUR 150K from a Polish investment fund, Carpathia Capital SA in exchange for a 10% stake and was subsequently listed on Bucharest Stock Exchange's AeRO Market, becoming the first IT company listed on a Romanian exchange.

**Bittnet had 5 issuances of corporate bonds** between 2016 and 2019: BNET19 (called back), BNET22, BNET23, BNET23A and BNET23C.

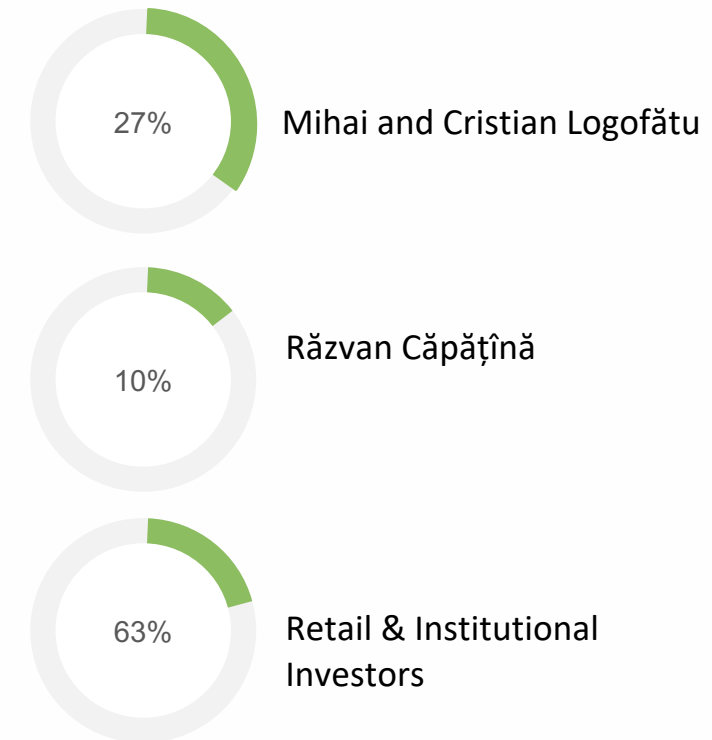
**Stable dividend policy**  
The company has followed a patented model, distributing to its shareholders the accrued profits in the form of free shares, a process which is expected to continue in the next years.

## Transfer to the Main Market of the BVB

On June 3rd, 2020, Bittnet (BNET) shares started trading on BVB's Regulated Market, five years after the listing on the AeRO market. Bittnet thus became the first and currently the only IT issuer present on BVB's Main Market.



## Bittnet Shareholding Structure



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*\*Data as of October, 2020*

# Executive Management

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**MIHAI LOGOFĂTU** 

CEO & Founder Bittnet Group



**ADRIAN STANESCU** 

CFO Bittnet Group



**CRISTIAN HERGHELEGIU** 

VP Technology Bittnet Group &  
CEO Dendrio



**DAN BERTEANU** 

VP Education Bittnet Group &  
CEO Bittnet Training



**IULIAN MOTOI** 

CEO ELIAN Solutions



**DIANA ROSETKA** 

Managing Partner Equatorial

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## Board of Directors & Advisory Committees



On January 2020 Bittnet shareholders have approved the establishment of the **Board of Directors**, consisting of three members. The elected members of the Board of Directors are:



**MIHAI LOGOFĂTU**

President of the Board



**CRISTIAN LOGOFĂTU**

Board Member



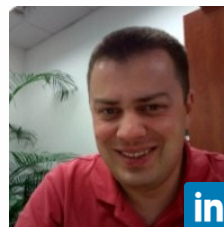
**LUCIAN ANGHEL**

Independent Board Member

The Board Members are supported by the **Advisory Committees**, which are organized within the structure of the Board of Directors. Bittnet has 3 Committees (Strategic Development Committee, Audit Committee, Nomination and Remuneration Committee) and their members are:



**SERGIU NEGUȚ**



**ANDREI PITIȘ**



**DAN ȘTEFAN**



**DAN BERȚEANU**



## Business Structure



**Technology Division** - focused on IT integration services.

This activity has a shared products, services and solutions portfolio and a larger team that allows for bigger workload, both from technical and sales standpoint.

**Education Division** - focused on IT training, segment where Bittnet is a market leader, and any other education-based initiatives, including activities of **Equatorial**, a game based learning company.

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Technology

Education

dendriq  
Your journey. Upgraded.

ELIAN  
a bittnet company

credis

bittnet  
Your skills. Upgraded.

eQUATORIAL  
playground for new habits

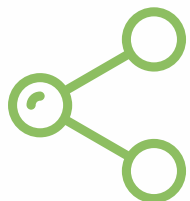
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## IT Training

- Bittnet Training is the IT training market leader in Romania, with approximately 20 years of experience and the largest team of trainers in Romania. Throughout the years, the company has delivered more than 50,000 hours of IT training and currently has one of the most comprehensive and updated curricula in the CEE region.
- Bittnet offers **the largest training portfolio on the market**, which consists of more than 1,000 official courses. From this portfolio the most important trainings are for the major vendors: Cisco, Microsoft (including Office), Amazon Web Services, ITIL, Linux, VMware, Oracle, Citrix, IBM, RedHat, Adobe, Avaya, Dell - SonicWall, EMC, HP, Juniper, etc.
- The **business training portfolio** holds project management, ITIL & IT services management, business intelligence, CRM, ERP, Agile and others.
- Starting with 2016, Bittnet has **joined the largest association of training partners – LLPA**, which allows the company to strongly expand both export earnings and delivery of courses in any language, anywhere in Europe.
- Following the success of recent years in delivering DevOps courses, Bittnet Training has invested heavily in shaping and launching the **global DevOps Artisan project**. DevOps Artisan is a concept created entirely by the Bittnet team, with its own proprietary technology and which includes beginner and advanced technical courses in the DevOps area.
- In October 2020, Bittnet Group launched CTRL+N, a national project for adults who want to undergo professional reconversion and kick-start their career in IT. By end of 2025, Bittnet wants to help 25,000 Romanians kickstart their career in IT.



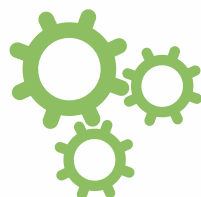
# IT Solutions



Division resulting from a merger of Bittnet and its IT solutions division with GECAD NET (today Dendrio), a company specialized in **commercializing and implementing software applications**, which provides appropriate licensing options, integrated IT services and professional security solutions.



Dendrio is one of very few companies **certified in Romania** at the Microsoft Licensing Solution Provider level - the highest level of certification for partners, which sell Microsoft platforms, and has Gold certifications for implementing Microsoft's Software as a Service solutions, as well as for implementation of cloud infrastructure solutions - Microsoft Azure.



The **IT solutions provided under the Dendrio brand cover**: network infrastructure, security and management, datacentre, virtualization and cloud computing, enterprise mobility including BYOD (Bring Your Own Device), unified communications and collaboration, video conference including telepresence as well as software licenses.



Dendrio is **the only "multi-cloud" integrator in Romania**, consolidating its position as a highly certified company by the world's leading IT vendors, focusing on cloud and cybersecurity. Being the only multi-cloud integrator means that the company can provide its clients access to a number of different clouds (Amazon Web Services, Microsoft Azure, Google Cloud Platform or Cisco Cloud Solutions).



The company offers the following **IT solutions**: general consultancy services, IT assessment services, implementation and migration services, maintenance and support services, infrastructure optimization services and IT training services.



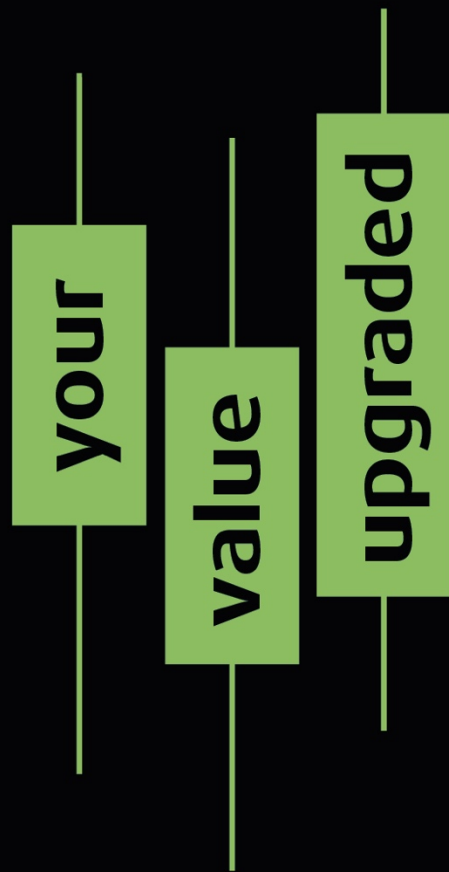
In H1 2020, integration services delivered by Dendrio brought revenues of **RON 46,5 million** (+41% compared to H1 2019) while Elian Solutions registered turnover of **RON 2,6 million** (+50%).

## Examples of IT integration projects

- Installation and continuous management of over 1,500 wireless access points in all **Carrefour** and **BILLA** shops in Romania.
- Developing telepresence solution (video conferencing 4k) for connecting **UiPath**'s offices from 3 different continents.
- Providing and installing complete IT equipment at the moment of opening offices of **Pole to Win** in Romania.
- Providing and installing complete IT equipment for **Eurosport Romania** studios for the period of Winter Olympics.
- In S2 2020 will launch program "**Digital Champions of Romania**" - a program through which will provide participating companies with tools to assess the degree of digital maturity, help establish the necessary steps for growing the degree of digital maturity and last but not least the technical resources needed to implement these steps.



# BNET Evolution



## BNET share price evolution

- BNET shares were admitted to the Regulated Market of BVB on June 3rd, 2020.
- BNET shares were included in the BET-XT, BET-BK and BET-Plus indices on September 2020.
- In the first half of 2020 a total number of 23,985,975 shares were traded, with a total value of RON 23.16 mn in 10,463 transactions.
- **55%** increase in stock price in H1 2020.
- 1775% increase in market capitalization since the debut on AeRO in April 2015.
- 2100+ shareholders, including 3 open-end investment funds and 3 investment companies.
- Consistent dividend policy of capitalizing profits through distribution of free shares to the shareholders.

ISIN

ROBNETACNOR1

Share price (27.10.2020)

RON 0.65 / EUR 0,1334

Market cap (27.10.2020)

RON 140,611,081.00 /  
EUR 28,847,459.79

No. of outstanding shares

216,324,740



Image source: [www.bvb.ro](http://www.bvb.ro)

\*BNET and BET-TR 5-year evolution between May 2015 and October 30th, 2020

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## BNET Share Price



The dynamics of the BNET share price was, in the first half of 2020, in line with the evolution of the Romanian capital market and connected to the international events that marked the beginning of the year.

As in all the previously analyzed periods, however, the investment in BNET shares brought the shareholders yields much higher than the market average. In the first 6 months of 2020, the investors who were with us at the beginning of the year registered a yield of approximately 17% (i.e. 35% annualized), with almost 30 percentage points better than the market average (expressed by the BET-TR index).

This return does not take into account the capital increase operation carried out in March 2020, which brought investors a return of 52% as measured on June 30, 2020.

Date of investment	Adjusted price/share	Return on June 30th 2020	How much is worth on June 30th 1000 EUR invested on ....
10 Apr 2020	0.4458	51.7%	€ 1,517.50
1 Jan 2020	0.5763	17.4%	€ 1,173.87
1 Jan 2019	0.2947	129.6%	€ 2,295.55
1 Jan 2018	0.1926	251.2%	€ 3,512.46
1 Jan 2017	0.1264	435.2%	€ 5,352.06
1 Jan 2016	0.0453	1393.4%	€ 14,933.77

## BNET liquidity – equity and debt

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- Currently the company has 4 issuances – BNET22, BNET23, BNET23A and BNET23C all listed on the BVB ATS-Bonds market.
- The number of BNET22 bonds that changed holders in the first half of 2020 was 6868 instruments, representing 15.26% of the total issue.
- In H1 2020, 302 orders were made for BNET23 bonds, which totaled a volume of 6772 BNET23 bonds, at a total value traded of **RON 675,951.30**.
- BNET23A bonds registered, in the first half of the year, transactions amounting to **RON 382,409.29** representing 3.8% of the issue.
- During H1 2020, 24.934 BNET23C bonds were traded in a number of 664 transactions that exceeded RON 2.4 mn. The traded volume represents over 24.93% of the entire issue, which makes BNET23C bonds some of **the most traded fixed income instruments on the AeRO-Bonds market**.
- The company currently intends to carry out a public offer for **preferred shares**, subject to approval of GSM. Should the shareholders approve the offer and it is successful, the company intends to call back all the bonds.



# Key developments timeline



## Listing on AeRO

**March 2015** - Lists on AeRO, company attracts €150,000 in exchange for 10% from Polish fund Carpathia Capital.

## Profit capitalization

**August 2016** - Capitalizes profit of €200,000.

## First Takeover

**April 2017** - Announces takeover of GECAD NET.

## Rebranding

**April 2018** - Rebrands GECAD NET to **Dendrio** – first multi-cloud integrator in Romania.

## Third bond issuance

**July 2018** - Attracts €1 million through BNET23 bonds for M&A in ELIAN and EQUATORIAL.

## Crescendo M&A bonds

**December 2018/January 2019** - Attracts €4 million through bonds BNET23A and BNET23C.

## Capital increase

**April 2020** - attracts over €2 million through capital increase operation

2015

2016

2017

2018

2019

2020

## Founded in 2007

By Cristian and Mihai Logofatu.

## First bond issuance

**July 2016** - Attracts €950,000 through first issuance of corporate bonds (BNET19) on AeRO.

## Second bond issuance

**September 2017** - Attracts €1 million through issuing corporate bonds (BNET22) – capital used to acquire GECAD NET.

## New takeovers

**March 2018** - Announces purchasing of 51% stake in ELIAN Solutions and 25% stake in EQUATORIAL.

## Significant transaction

**December 2018** – The transfer of IT&C integration division of Crescendo International to Dendrio.

## BNET19 repayment

**January 2019** – callback and repayment of BNET19 bonds.

## Transfer on the Main Market

**June 2020** – Bittnet (BNET) shares started trading on BVB's Regulated Market.

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## M&A track record and plans

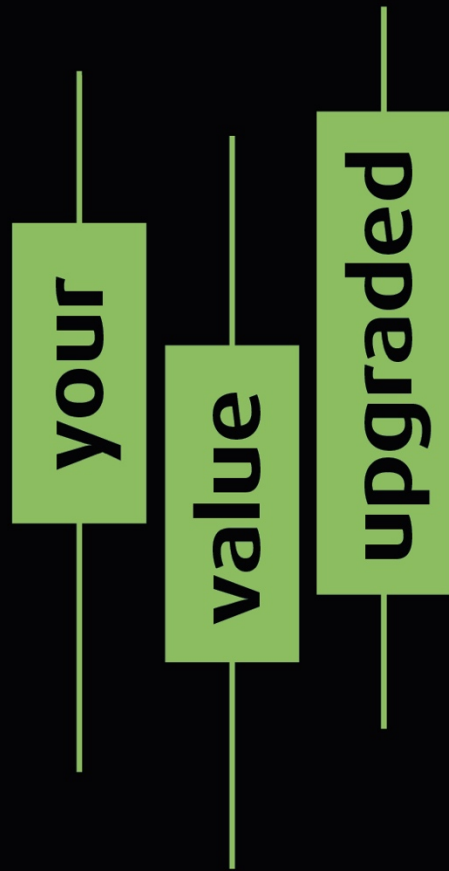
Bittnet Group has an M&A track record, having acquired 100% stake in GECAD NET (currently known as **Dendrio**) in September 2017, 51% in **ELIAN Solutions** in July 2018 and 25% stake in **Equatorial Gaming** in 2018 (now the stake reached 45% following further investments) and the IT&C integration division of **Crescendo International** at the end of 2018.

In October 2020, Bittnet has called a GSM in order to have shareholders approve further M&A activities:

- Acquisition of remaining shares in **Equatorial Gaming SA** to reach 99% of share capital held by Bittnet Group
- Investment in educational services company **The eLearning Company**
- Acquisition of 25% stake in **Softbinator Technologies SA**
- Investment in company **IT Prepared**
- Approval of the investment in the private placement of cybersecurity company **Safetech Innovations SA**



# Key Indicators



## H1 2020 Results

**6.11 mil**  
Cifra afaceri  
+17% vs H1 2019

**1.07 mil**  
Profit operational  
+1.47mil vs H1 2019

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Your skills. Upgraded.

**0.5 mil**  
Cifra afaceri  
-66% vs H1 2019

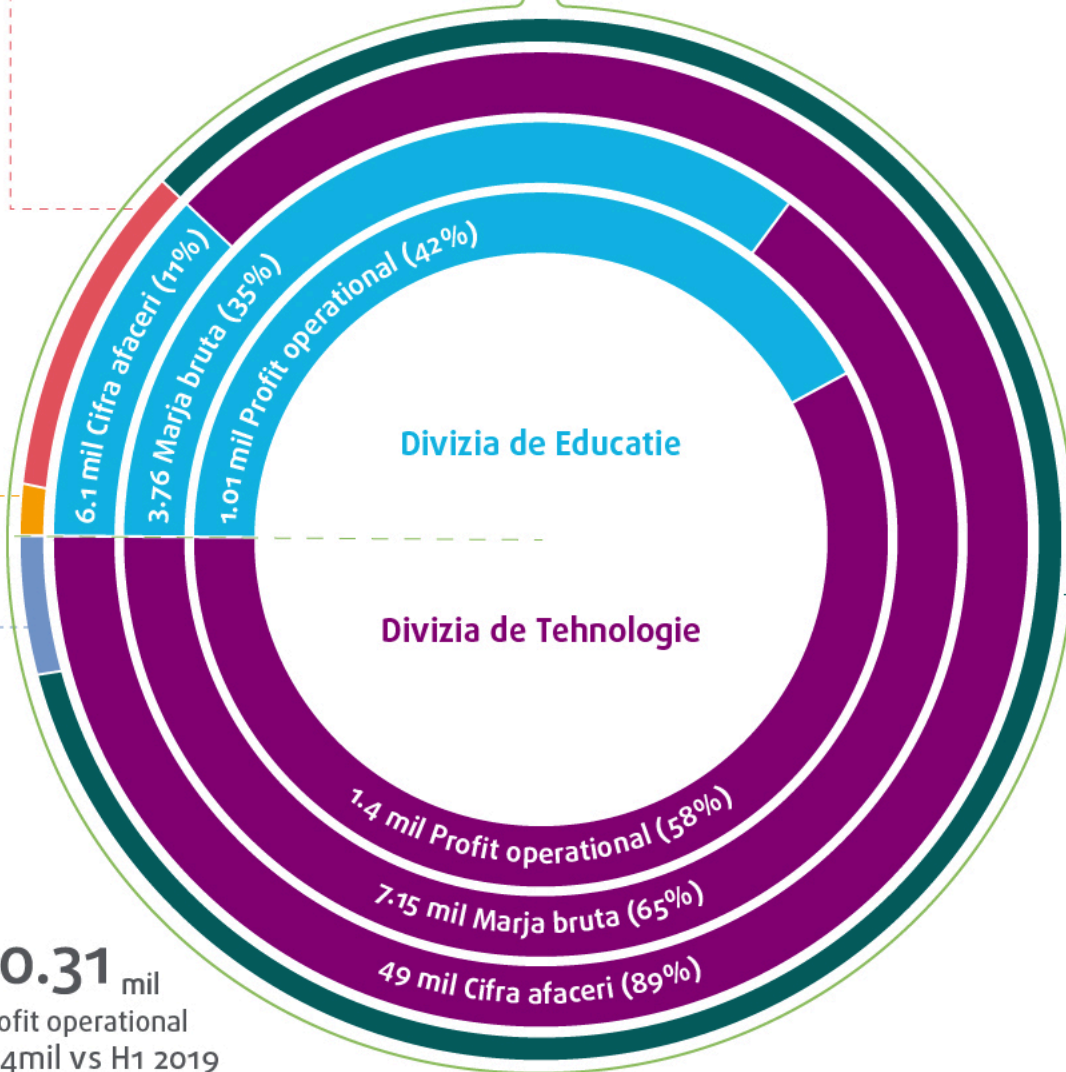
**equatorial**  
playground for new habits

**-0.69 mil**  
Profit operational  
-0.2mil vs H1 2019

**ELIAN**  
a bittnet company

**2.6 mil**  
Cifra afaceri  
+50% vs H1 2019

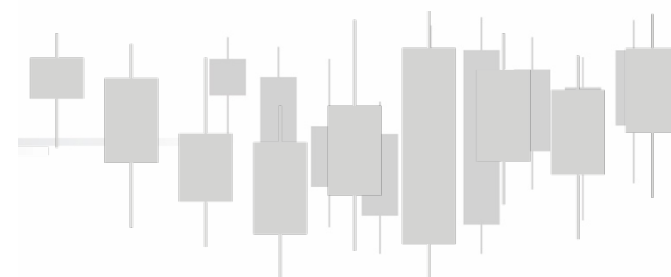
**0.31 mil**  
Profit operational  
+0.34mil vs H1 2019



**dendrix**  
Your journey. Upgraded.

**46.5 mil**  
Cifra afaceri  
+41% vs H1 2019

**1.05 mil**  
Profit operational  
+4.35mil vs H1 2019



**RON 55.1 m turnover**  
(+39% vs H1 2019)

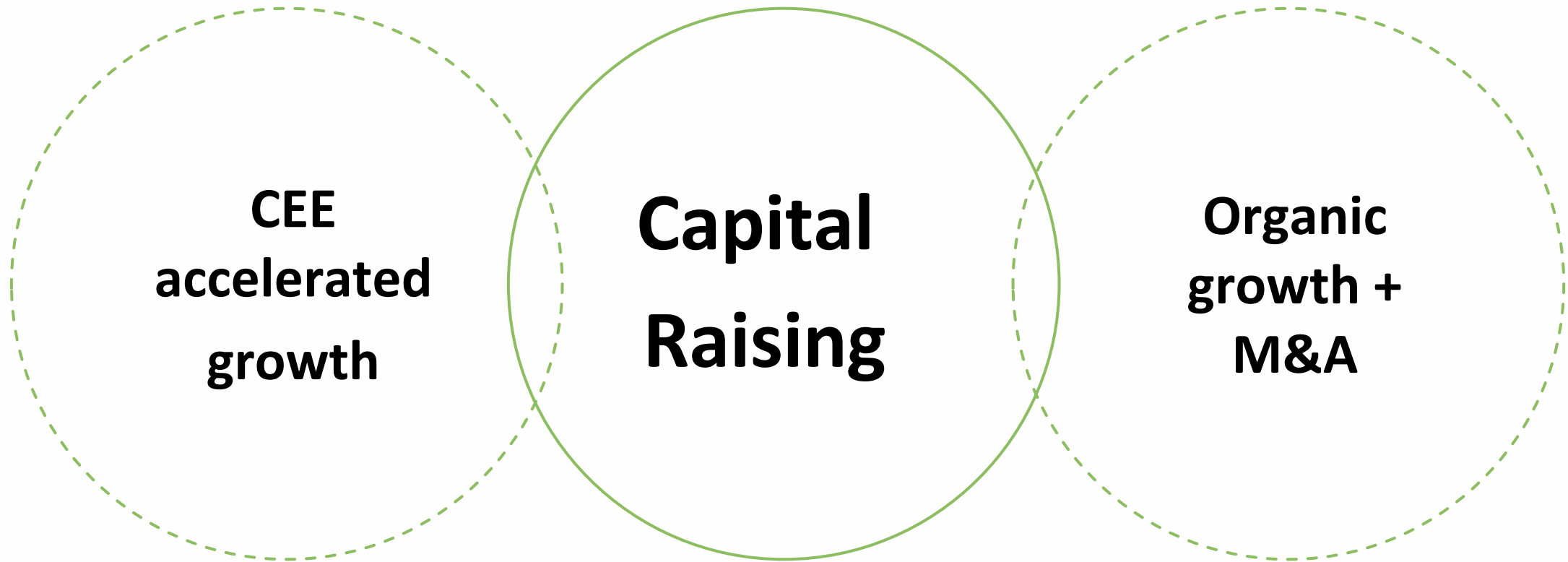
**RON 10.9m margin**  
(183% vs H1 2019)

**RON 2.4m operating profit**  
+RON 6m vs H1 2019

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What's next?

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Turnover target: 100.000.000 EUR

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## Historical Results



<i>RON '000</i>	Revenue	Oper. Profit	Net Profit	CashFlow Oper.	Cash Flow	Assets	Cash	Shr. Equity	Mkt. Cap.
2014	8,180	582	115	394	792	5,428	813	865	7,896
2015	9,993	1,608	889	471	2,195	8,253	3,008	1,920	8,108
2016	13,667	1,929	870	(1,768)	(652)	10,446	2,355	3,100	21,418
2017	27,682	2,743	1,206	373	8,705	30,898	11,060	5,961	16,982
2018	47,891	1,319	4,408	3,397	1,988	59,069	13,048	14,001	55,530
2019H1	39,747	(2,504)	(5050)	(1941)	2,174	71,760	15,222	13,219	175,089
2019H2	60,051	4,147	1,927	7461	5,019	78,326	20,241	11,991	112,717
2019	99,798	1,643	(3,123)	5,520	7,193	78,326	20,241	11,991	112,717
CAGR	65%	23%	-294%	70%	55%	71%	90%	69%	70%
YoY	108%	25%	-171%	62%	262%	33%	55%	-14%	103%



#### IR Contact:

Cristian Logofatu  
Co-Founder & Board Member  
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[www.bittnet.ro](http://www.bittnet.ro)

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